

Evolve Cloud Computing Index Fund

June 30, 2024

Interim Management Report of Fund Performance

This interim management report of fund performance contains financial highlights but does not contain the complete interim financial statements of the investment fund. You can get a copy of the interim financial statements at your request, and at no cost, by calling 1-844-370-4884, by writing to us at Evolve Funds, 40 King Street West, Suite 3404, Toronto, ON, M5H 3Y2 or by visiting our website at www.evolveetfs.com or SEDAR at www.sedar.com. You may also contact us using one of these methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

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Investment Objective and Strategies

The Evolve Cloud Computing Index Fund (the "Fund") seeks to replicate, to the extent reasonably possible and before fees and expenses, the performance of the Solactive Global Cloud Computing Index, or any successor thereto. The Fund invests primarily in equity securities of companies located domestically or internationally that have business operations in the field of cloud computing.

Risk

There were no changes to the Fund over the period of this report that materially affected the level of risk associated with an investment in the Fund. Prospective investors should read the Fund's most recent prospectus and consider the description of risks contained therein.

Results of Operations

For the six-month period ended June 30, 2024, the Hedged ETF Units returned 12.1% versus the Solactive Global Cloud Computing Index return of 16.1%. The Unhedged ETF Units returned 15.4% versus the Solactive Global Cloud Computing Index return of 16.1%. The difference in performance of the hedged units relative to its benchmark can be attributed primarily to management and administration fees plus applicable sales taxes, to portfolio trading and hedging strategies. The difference in performance of the unhedged units relative to its benchmark can be attributed primarily to management and administration fees plus applicable sales taxes and to portfolio trading. The Fund's net assets were \$17.4MM as at June 30, 2024.

Portfolio Manager Commentary

The first half of 2024 has been strong for the cloud computing industry, continuing its momentum from 2023. Firms with operations in cloud computing and data centers experienced tailwinds during the period on the back of emerging advancements in Artificial Intelligence (AI) and its applications within their technological infrastructure.

Companies such as Microsoft, Alphabet, and Oracle have been at the forefront of the integration and development of AI systems to complement their cloud businesses. Oracle, in particular, experienced surges in their stock price in March and May, driven by earnings which surpassed analyst estimates and the announcement of partnerships with Google, Microsoft and OpenAI. In the announcement, Oracle stated that they are partnering with OpenAI to deliver supplemental computing capacity. Oracle also announced generative AI features coming to its Fusion cloud applications for supply chain and human resources¹. This integration of AI and their fiscal Q4 2024 earnings beat took Oracle's stock to an all-time-high in June².

Amazon has similarly benefited from the AI boom as its stock was propelled to record highs during the first half of 2024³. More specifically, the company cut costs and restructured its business to better take advantage of the AI frenzy. In addition, its key Amazon Web Services (AWS) business has shown signs of re-accelerating growth, a major point of optimism for investors. The company's innovative use of AI has demonstrated impressive stamina, solidifying its position as a leader in the cloud computing space.

However, not all companies in the sector fared equally well. Salesforce Inc. saw its stock plummet in May following its first revenue miss since 2006⁴. This unexpected downturn highlights the challenges even leading companies can face in meeting market expectations. Despite some cloud computing companies facing challenges over the period, overall demand for cloud computing and data centers remains robust, with sector growth forecasted to continue. The integration of AI is expected to further enhance the capabilities and efficiency of cloud services, driving sustained interest and investment in this sector.

In summary, the first half of 2024 has been strong for the cloud computing industry, bolstered by the strategic adoption of AI by key players. While some challenges remain, the sector's overall growth trajectory remains positive, supported by the enduring demand for cloud services and data center solutions.

Performance Attribution

For the six-month period ending June 30, 2024, Oracle Corporation made the biggest contribution to the Fund, followed by Alphabet Inc. By weight, the Fund's largest holdings were Alphabet Inc., Oracle Corporation, and SAP SE, ADR.

(1) <https://www.cnbc.com/2024/06/11/oracle-orcl-q4-earnings-report-2024.html>

(2) <https://finance.yahoo.com/video/oracle-stock-closes-high-open-210335123.html>

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(3) <https://www.bloomberg.com/news/articles/2024-06-26/amazon-amzn-hits-2-trillion-market-value-as-ai-frenzy-fuels-rally>

(4) <https://www.cnbc.com/2024/05/29/salesforce-crm-q1-earnings-report-2025.html>

Recent Developments

There are no known changes at this time to the investment strategy of the Fund or the Manager.

Related Party Transactions

Evolve Funds Group Inc. (the "Manager") complies with its current policy and procedures regarding investments in related issuers and reports periodically to the Investment Review Committee.

Management Fees

The management fees are calculated based on 0.60% per annum of the average daily net asset value of the Fund. The fees are accrued daily and generally paid monthly. For the six-month period ended June 30, 2024, the Fund incurred \$51,288 in management fees. These management fees were received by the Manager for the day-to-day operations of the fund, including managing the portfolio, maintaining portfolio systems used to manage the Fund, maintaining the www.evolveetfs.com website, and providing all other services including marketing and promotion.

Administration Fees

The administration fees are calculated based on 0.15% per annum of the average daily net asset value of the Fund. The fees are accrued daily and are generally paid monthly. For the six-month period ended June 30, 2024, the Fund incurred \$13,253 in administration fees. These administration fees were received by the Manager for the following operating expenses of the Fund including but not limited to: mailing and printing expenses for periodic reports to unitholders; Registrar and Transfer Agent and Custodian; any reasonable out of pocket expenses incurred by the Manager or its agents in connection with their ongoing obligations to the Fund; IRC committee member fees and expenses in connection with the IRC; expenses related to compliance with NI 81-107; fees and expenses relating to voting of proxies by a third party; insurance coverage for the members of the IRC; fees payable to the auditors and legal advisors of the Fund; regulatory filing, stock exchange and licensing fees and CDS fees; costs and expenses of complying with all applicable laws, regulations and policies, including expenses and costs incurred in connection with the continuous public filing requirements such as permitted prospectus preparation and filing expenses; and legal, accounting and audit fees and fees and expenses of the Trustee, Custodian and Manager which are incurred in respect of matters not in the normal course of the Fund's activities. The administration fee paid to the Manager by the Fund may, in any particular period, be less than or exceed the operating expenses that the Manager incurs for the Fund.

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Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help readers understand the Fund's financial performance for the period indicated.

The Fund's Net Assets Per Unit¹

For the periods ended:	June 30, 2024 (\$)	December 31, 2023 (\$)	December 31, 2022 (\$)	December 31, 2021 (\$)
Unhedged ETF Units - Net Assets per Unit				
Net Assets per Unit, beginning of period	22.54	15.22	24.34	20.00
Increase (decrease) from operations:				
Total revenue	0.19	0.12	0.10	0.13
Total expenses	(0.11)	(0.29)	(0.18)	(0.24)
Realized gains (losses)	1.63	0.05	(4.20)	1.40
Unrealized gains (losses)	2.12	7.54	(5.01)	0.02
Total increase (decrease) from operations²	3.83	7.42	(9.29)	1.31
Distributions:				
From income (excluding dividends)	(0.06)	-	-	-
From dividends	-	-	-	-
From capital gains	-	-	-	(0.09)
Return of capital	-	(0.12)	(0.12)	(0.02)
Total annual distributions³	(0.06)	(0.12)	(0.12)	(0.11)
Net Assets per Unit, end of period	25.95	22.54	15.22	24.34
Hedged ETF Units - Net Assets per Unit				
Net Assets per Unit, beginning of period	21.28	14.18	24.42	20.00
Increase (decrease) from operations:				
Total revenue	0.16	0.11	0.10	0.12
Total expenses	(0.09)	(0.26)	(0.17)	(0.24)
Realized gains (losses)	1.04	0.23	(4.56)	0.22
Unrealized gains (losses)	1.54	7.03	(6.10)	3.47
Total increase (decrease) from operations²	2.65	7.11	(10.73)	3.57
Distributions:				
From income (excluding dividends)	(0.06)	-	-	-
From dividends	-	-	-	-
From capital gains	-	-	-	(0.10)
Return of capital	-	(0.12)	(0.12)	(0.01)
Total annual distributions³	(0.06)	(0.12)	(0.12)	(0.11)
Net Assets per Unit, end of period	23.78	21.28	14.18	24.42

1 This information is derived from the Fund's unaudited interim financial statements as at June 30, 2024, and the audited annual financial statements as at December 31, 2023, 2022 and 2021. The Hedged and Unhedged ETF Units effectively began operations on January 6, 2021.

2 Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of units outstanding over the period.

3 Distributions were paid in cash or reinvested in additional units of the Fund, or both. Actual distributions may vary slightly owing to rounding.

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The Fund's Ratios/Supplemental Data

For the periods ended:	June 30, 2024	December 31, 2023	December 31, 2022	December 31, 2021
Unhedged ETF Units - Ratios/Supplemental Data				
Total Net Asset Value (\$) ⁴	1,946,124	2,253,806	1,521,909	5,476,295
Number of units outstanding ⁴	75,000	100,000	100,000	225,000
Management expense ratio ⁵	0.85%	0.85%	0.83%	0.85%
Trading expense ratio ⁶	0.08%	0.07%	0.07%	0.10%
Portfolio turnover rate ⁷	16.04%	36.96%	44.48%	43.23%
Net Asset Value per unit (\$)	25.95	22.54	15.22	24.34
Closing market price (\$)	25.95	22.53	15.21	24.35
Hedged ETF Units - Ratios/Supplemental Data				
Total Net Asset Value (\$) ⁴	15,458,275	16,490,389	14,537,564	32,362,616
Number of units outstanding ⁴	650,000	775,000	1,025,000	1,325,000
Management expense ratio ⁵	0.71%	0.86%	0.82%	0.85%
Trading expense ratio ⁶	0.08%	0.07%	0.07%	0.10%
Portfolio turnover rate ⁷	16.04%	36.96%	44.48%	43.23%
Net Asset Value per unit (\$)	23.78	21.28	14.18	24.42
Closing market price (\$)	23.83	21.26	14.12	24.55

4 This information is provided as at June 30, 2024, and December 31, 2023, 2022 and 2021.

5 Management expense ratio ("MER") is based on total expenses plus harmonized sales tax (excluding distributions, commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period.

6 The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of average daily net assets during the period.

7 The Fund's portfolio turnover rate indicates how actively the Fund's portfolio manager trades its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the period. The higher the Fund's portfolio turnover rate in a period, the greater the trading costs payable by the Fund in the period, and the greater the chance of an investor receiving taxable capital gains in the period. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

Past Performance

The performance information does not take into account sales, redemption, distribution, income taxes payable by any unitholder or other optional charges that, if applicable, would have reduced returns or performance. The performance information shown assumes that all distributions made by the investment fund in the periods shown were reinvested in additional securities of the investment fund. How the Fund has performed in the past does not necessarily indicate how it will perform in the future.

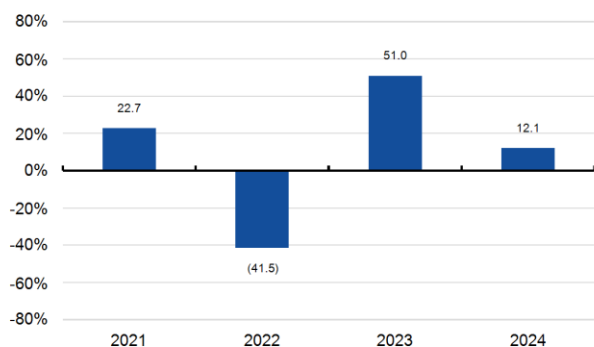
Year-by-Year Returns

The bar chart below shows the Hedged and Unhedged ETF Units' performance for each of the financial years shown and for the six-month period ended June 30, 2024. The chart shows, in percentage terms, how much an investment made in the Fund on the first day of each financial period would have grown or decreased by the last day of that financial period.

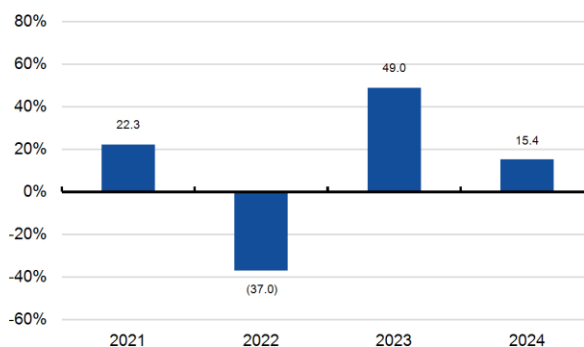
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DATA Hedged ETF Units¹



DATA/B Unhedged ETF Units²



1 The Hedged ETF Units of the Fund effectively began operations on January 6, 2021.

2 The Unhedged ETF Units of the Fund effectively began operations on January 6, 2021.

Summary of Investment Portfolio

Top 25 Positions

	Percentage of Net Asset Value (%)
Security	
Alphabet Inc., Class 'A'	8.4
Oracle Corporation	8.4
SAP SE, ADR	8.0
Intuit Inc.	7.7
Microsoft Corporation	7.7
Amazon.com Inc.	7.5
ServiceNow Inc.	7.4
Salesforce Inc.	6.3
CrowdStrike Holdings Inc., Class 'A'	4.2
Fortinet Inc.	2.2
Snowflake Inc., Class 'A'	2.2
Workday Inc., Class 'A'	2.2
Datadog Inc., Class 'A'	1.9
HubSpot Inc.	1.4
Zscaler Inc.	1.4
NetApp Inc.	1.3
Western Digital Corporation	1.2
AppLovin Corporation, Class 'A'	1.1
WiseTech Global Limited	1.1
MicroStrategy Inc.	1.0
Pure Storage Inc., Class 'A'	1.0
Seagate Technology Holdings PLC	1.0
MongoDB Inc., Class 'A'	0.9
Check Point Software Technologies Limited	0.9
Akamai Technologies Inc.	0.7
Total	87.1

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Industry Allocation

Portfolio by Category	Percentage of Net Asset Value (%)
Equities	
Communication Services	8.4
Consumer Discretionary	7.5
Information Technology	83.5
Derivative Assets	0.0
Derivative Liabilities	(0.2)
Cash and Cash Equivalents	0.9
Other Assets, less Liabilities	(0.1)
Total	100.0

The summary of Investment Portfolio may change due to the ongoing portfolio transactions of the Fund. Updates are available quarterly by visiting our website at www.evolveetfs.com.



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